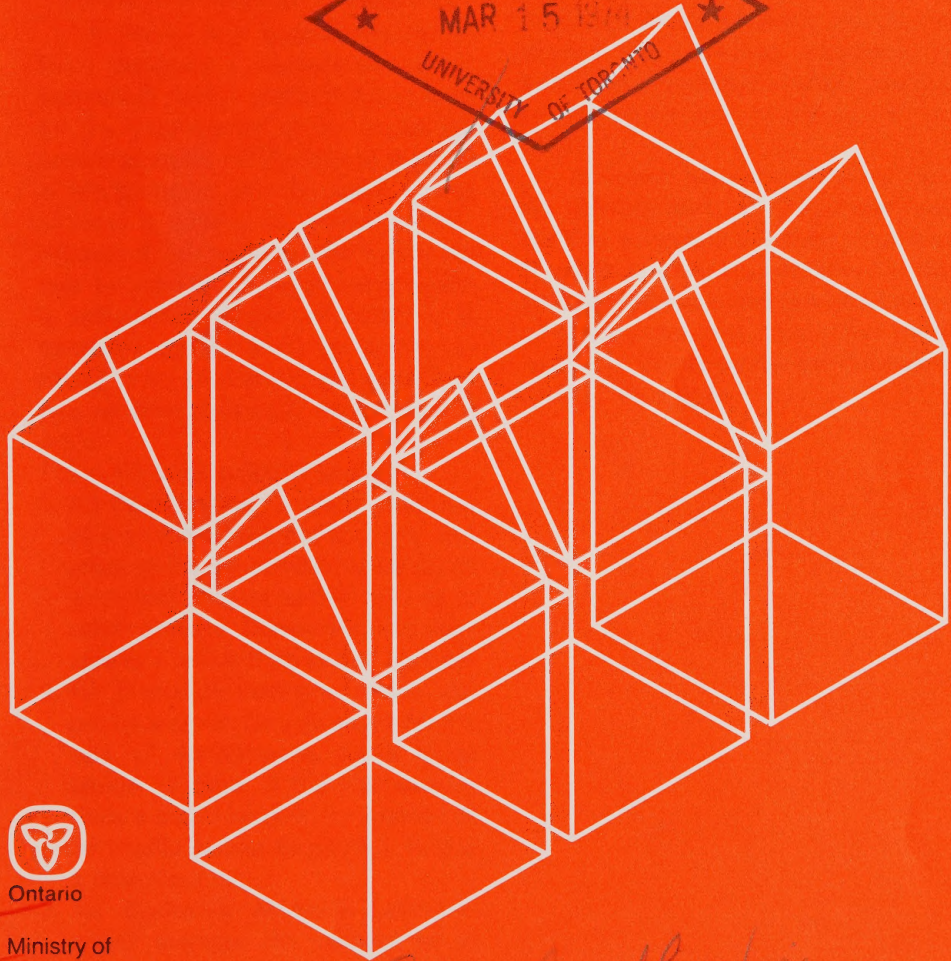


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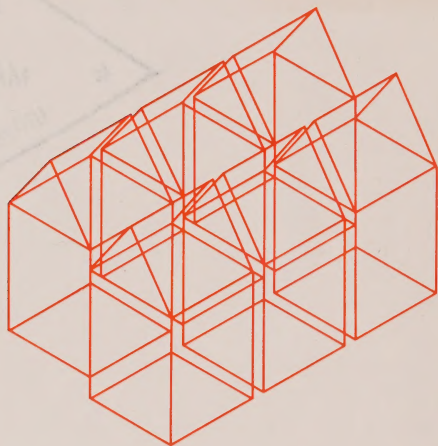


Ontario

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Buying a home or property is one of the most important financial decisions of a lifetime. Because it is important, you should make the decision only after you have asked and answered some basic questions and made a thorough investigation.



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"What is the difference between a real estate broker and a salesman ?

A broker is one who normally represents the selling person or vendor in real estate transactions.

A salesman is one who is employed by a broker and is authorized by his broker to act, in effect, as his sub-agent.

"What is a listing contract ?"

A listing is a contractual agreement between a homeowner or an authorized person and a broker whereby the homeowner agrees to let the broker or agent act for him in the sale of his property, and the agent for his services is entitled to receive a commission if the terms of the listing are met. In order to sell the property within a reasonable length of time, it is generally agreed that the asking or listing price should not be more than five per cent above the current market price.

There are three types of listing :

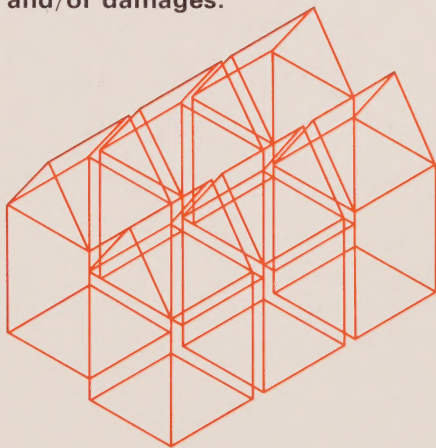
1. An Open Listing — which authorizes a broker to sell the property, but reserves the right of the owner to sell it himself or give further listings to other brokers. Commission is payable to a broker if he makes the sale.
2. An Exclusive Listing — which appoints a broker as sole agent for the sale of the property for a given period of time. If the homeowner finds a buyer himself, he would still be legally bound to pay the broker a commission.
3. An Exclusive Multiple Listing — which engages the services of all the members of a particular real

estate board for which the homeowner agreed to pay a higher commission.

"What is an Agreement of Purchase and Sale?"

An Agreement of Purchase and Sale, sometimes referred to as an offer is a legal contract whereby a purchaser agrees to buy a property from a vendor in accordance with specified terms and conditions. At the time of the "acceptance" of the purchaser's offer by the vendor the purchaser becomes the beneficial owner of the property subject to the terms and conditions in the offer.

It must be remembered that an Agreement of Purchase and Sale is a legally binding contract. If either the purchaser or the vendor fails to meet the conditions of the agreement, the other party can sue for specific performance and/or damages.



“What are the obligations of the broker?”

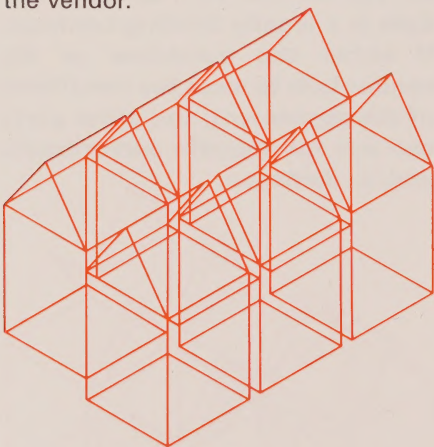
The broker or agent must:

Present all offers to his client, the vendor.

Disclose to his client all material facts within his knowledge relating to any transaction into which he enters on his client's behalf.

Follow the instructions of his client, the vendor.

It is wise to keep in mind when purchasing property that the sales agent represents the vendor, who is paying his commission. While the agent must act ethically toward the purchaser, he is bound to act at all times in the best interest of his client, the vendor.



“What procedure should be followed when buying a home?”

1. If you have seen a home which interests you, contact the broker with whom the home is listed. Or, contact a broker of your choice and describe to him the kind of property you wish to buy. He will then search his listings to find a property which meets your requirements.
2. Inspect the property thoroughly. If possible, have it evaluated by a professional appraiser.
3. Examine the complete money commitment, including initial costs, such as down-payment, mortgage brokerage commission fee, insurance costs, legal fees, prepayment of property taxes and moving costs. In addition, examine your continuing costs, such as principal and interest payments on mortgages, insurance payments, property taxes, local improvement levies and maintenance costs. Consider as well the cost of day-to-day transportation if the house is a long way from where you work.
4. Know the area to which you are contemplating a move. Consult the municipal offices about zoning, local improvements such as sewers, roads, sidewalks, etc. that affect your taxes. Find out about schools, transportation, shopping.

5. When you are satisfied, have prepared an Agreement of Purchase and Sale detailing the terms you are prepared to make. Make sure that every detail which is important to you or which bears on the matter of the property under consideration is contained in the offer.

6. Before signing an Offer to Purchase, take it to a lawyer of your choice. It is unwise for you — the buyer — to consult with the same lawyers as the seller retains.

7. Do not sign the Agreement of Purchase and Sale until it has been reviewed by your lawyer.

8. After the offer has been accepted, your lawyer will search the title to make sure that it is free and clear of any encumbrances such as unpaid taxes, liens, mortgages and other claims.

“What is the procedure in the purchase of income property?”

If you are planning to buy “income property” such as a duplex, apartment building, store building — whether or not you plan to live in the premises — follow the same guidelines. In addition, obtain up-to-date statements of income and expenses.

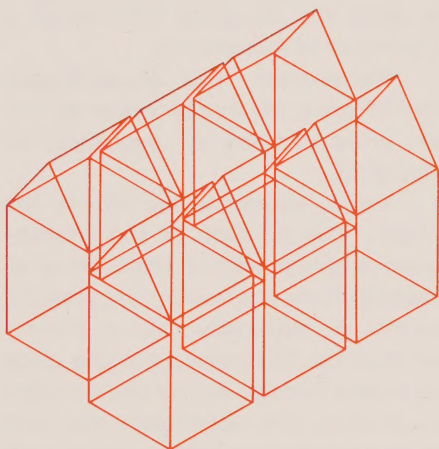
“Where do I get information on mortgage rates?”

See your bank manager or trust company — they’ll provide the service free.

“What is the procedure in the purchase of property outside of Ontario?”

The Ontario real estate market is attracting many developers offering land outside of this province, in other provinces or countries.

Before such developers can do business in Ontario, they are required by provincial laws to file and have approved a Prospectus of the property with the Registrar of Real Estate and Business Brokers in the Ministry of Consumer and Commercial Relations.



The developer is also required, when marketing his land, to deliver a copy of the Prospectus to each prospective buyer in Ontario. This Prospectus will give all the details about the foreign land in a very precise way.

Read the prospectus carefully before signing any contract. Whenever possible, visit the property first.

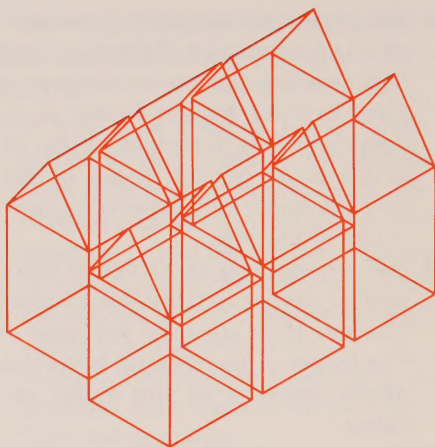
When the Prospectus has been filed, a foreign lands inspector will visit the property wherever it may be to ensure that the Prospectus gives an accurate description. If everything is in order, the developer will receive a Certificate of Acceptance.


Remember, the government Certificate of Acceptance is not an endorsement or approval of the land.

Value judgments are left to the buyers. The function of the Government is only to ensure disclosure of all material facts concerning the property so that the buyer may make an informed decision. The buyer must take steps to protect himself. Before you consider purchasing any out-of-province land or condominium purchase, check with the Registrar's Office at 555 Yonge Street, Toronto.

"Where is more information available?"

The Registrar,
Real Estate and Business Broker
Section,
Ministry of Consumer and
Commercial Relations,
555 Yonge Street, Toronto 5, Ontario.





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